

SHEFFIELD HALLAM UNIVERSITY

BG/6/18/M

BOARD OF GOVERNORS

Minutes of the meeting held on Tuesday 27 November 2018

Present:

Lord Kerslake, Chair	Mr N MacDonald
Prof J Bale	Dr J Morrissy
Mr D Bradley	Ms N Mowlana
Mr D Bye	Prof J Patnick
Ms K Finlayson	Mr A Okud
Prof Sir C Husbands	Mr K Taylor
Dr P Jones	Ms P Thompson
Mr C Kenny	Dr S Timothy
Prof C Kinsella	Mr M Conway, University Secretary and Clerk to the Board

Apologies for absence from Ms M Munn and Prof P Wiles.

In attendance**For item**

Mr R Calvert, Chief Operating Officer	
Prof R Eccleston, PVC Research and Global Engagement	
Ms D Harry, Chief Finance and Planning Officer	
Prof C Hughes, Provost	
Prof K Kerrigan, PVC Sheffield Business School	
Ms L Mason, Director of Strategic Planning and BIS	6.5
Mr P Roddis, Head of Health and Safety	6.6
Ms L Stevenson, Head of Rewards and Benefits	6.2
Mr M Swales, Director of Estates and Facilities	
Ms T Goodwill, Governance Services, Minute Secretary	

Paper reference	Minute reference	
	BG/18/122	Declaration of Interests
	122.1	There were no declarations of interest.
BG/5/18/M	BG/18/123	Minutes of the meeting held on 5 October 2018
	123.1	The minutes were <u>approved</u> as a correct record.
BG/5/18/action	BG/18/124	Matters Arising/Action Tracker
	124.1	The Board <u>noted</u> the action tracker.
	BG/18/125	Matters Arising: Minute 18/32.3 Equality and Human Rights analysis framework
	125.1	The Chief Operating Officer reported that work on an equality and human rights analysis framework and toolkit to facilitate due regard included: <ol style="list-style-type: none"> i) consultation with staff and students to create an accessible and inclusive framework and toolkit; ii) implementation, which was being led by the University Leadership Team and supported with engagement activity

across the University to raise awareness of the framework and toolkit;
iii) embedding the framework and use of the toolkit in the University's decision making and planning processes following a launch period from January to March 2019.

125.2 As part of its oversight of the work of the Equality and Diversity Committee (EDC) the Board would receive a report on the 2017/18 annual review of the work of the EDC which includes monitoring and reporting progress against the University's equality objectives.

Action: Director of Human Resources and Organisational Development as Chair of the EDC

BG/18/126 **Other Urgent Business**

126.1 There was no other urgent business.

BG/18/127 **Strategy Event: October 2018**

127.1 The Board received the report that following the discussions at the October 2018 strategy event of the short and medium term strategic and financial challenges facing the University in its delivery of the Transforming Lives Strategy, the Board would receive a progress report at the strategy and development day in January 2019.

Action: Vice-Chancellor

BG/6/18/6.2
Confidential

BG/18/128 **Gender Pay Gap**

128.1 The Board received the University's second annual Gender Pay Gap (GPG) report which was recommended to the Board for publication by the Finance and Employment Committee (minute FEC/18/82 refers).

128.2 The Head of Rewards and Benefits summarised the findings of the GPG analysis in the report. The distribution of female employees in the pay and grading structure remained the primary reason for the gender pay gap. Due to the publication timescales of the first and second GPG reports in 2018 none of the actions included as part of the first GPG report had impacted on the overall figures yet. The University's ambition was to close the gap and work to address the actions continued along with work on two additional actions (paragraph 21).

128.3 Members of the Board commented on:
i) the consideration of targets in addition to behaviour in the context of the pay and grading structure;
ii) bonuses. The University was looking at pay and rewards as part of its work to develop the Hallam Deal.

128.4 The Board resolved to approve the gender pay gap report for

publication.

BG/6/18/6.3i	BG/18/129	<p>President of the Students' Union Report</p> <p>129.1 The Board <u>received</u> the President's report which updated the Board on the activities of the Students' Union including the:</p> <ul style="list-style-type: none"> i) election of the President to the Union Development Zone Committee of the National Union of Students; ii) increased engagement across all areas of student opportunities at the University.
BG/6/18/6.3ii BG/6/18/6.3iii	129.2	<p>Student Voice Report 2017/18 and the University's initial response</p> <p>The Board <u>received</u> the Student Voice report 2017-18 and the University's initial response to its recommended outcomes. The partnership working between the Students' Union and the University continued and it was commented that the University's response was adequate.</p>
	129.3	<p>The following were discussed:</p> <ul style="list-style-type: none"> i) the support arrangements for refugee and asylum seeker students making applications to study at the University and the approach to managing the funding of and the demand for scholarships; ii) the improved timeliness from new arrangements introduced in 2018/19 for summer reassessment boards for undergraduate students. Academic staff gave examples of the challenges for staff of implementing the new arrangements; iii) attainment by BAME students at the University which was a recurring issue in the higher education sector. It was reported that as part of its 2019 programme of activities the Students' Union was arranging an <i>in conversation</i> event with a BAME attainment speaker and members of the Board would be invited to the event. Action: President of the Students' Union and Clerk to the Board iv) the recording of lectures as part of the Sheffield Hallam Students' Union's services offered to students and the pros and cons of the use of the recordings by students. It was suggested that the policy and approach to the service offered merited further exploration; v) feedback from students about the quality of the University's academic provision. Members of the Academic Assurance Committee commented that if future Student Voice reports included this feedback it would inform the Committee's consideration of academic quality as part of the future cycle of reporting to the

Board of Governors (minutes BG/18/135 and 146 refer).

BG/6/18/6.4 Confidential	BG/18/130	Students' Union Grant Setting
	130.1	The Board <u>resolved to approve</u> the recommendation of the Finance and Employment Committee that the 2019/20 grant to the Students' Union remain unchanged, in line with the new model and the de minimis variation limit (minute FEC/18/90 refers).
BG/6/18/6.5 Tabled	BG/18/131	University Performance Report
	131.1	The Board <u>received</u> the University performance report (UPR) for period 3 to the end of October 2018 and reviewed the University's progress against plans, its performance against key performance indicators and compared to the higher education sector, its financial position and the risks being mitigated against.
BG/6/18/6.6	BG/18/132	Health, Safety and Wellbeing Annual Management Review 2017/18
	132.1	<p>The Board <u>received</u> the annual report on health and safety performance at the University in 2017/18. Governors commented that the report was good and thorough. In response to questions the Head of Health, Safety and Wellbeing outlined the University's approach to:</p> <ul style="list-style-type: none"> i) the involvement of leaders in inspections and their role in ensuring that health and safety was embedded in the University's operations and culture; ii) near-misses and the arrangements for on-line reporting by staff; iii) training for staff.
BG/6/18/7.1	BG/18/133	Audit and Risk Committee Annual Report to the Board of Governors and the Accountable Officer 2017/18
	133.1	<p>The Chair of the Audit and Risk Committee (ARC) introduced the annual report and highlighted the Committee's opinions on the adequacy and effectiveness of the University's arrangements. The Board <u>received</u> the ARC's annual report 2017/18 which would be submitted to the Office for Students by the December 2018 deadline.</p> <p>Action: Clerk to the Board</p>
BG/6/18/7.2 Confidential	BG/18/134	Draft Annual Report and Financial Statements for the year ended 31 July 2018
	134.1	The Chief Finance and Planning Officer introduced the draft annual report and financial statements (ARFS) which had been recommended to the Board for approval by the Finance and Employment Committee (FEC) and Audit and Risk Committee (appendix 1). There were no outstanding audit points of

principle to report (appendix 3). In line with the period 12 report the financial statements showed a deficit for the year which reflected the financial impact of planned strategic initiatives and investments as the University implements the Transforming Lives Strategy. The Board noted the FEC recommendation that it is appropriate for the financial statements for the year ending 31 July 2018 to be prepared on the going concern basis (appendix 2).

- 134.2 The Board resolved to approve:
- i) the consolidated financial statements for the year ended 31 July 2018;
 - ii) that the Chair of the Board should sign the letter of representation to the external auditors in relation to the audit of the University's financial statements;
 - iii) that the Chair of the Board should sign the letter of support for Sheffield Hallam University Enterprises Limited; and
 - iv) that the Chair of the Board should sign the letter of support for Sheffield Hallam Innovation and Enterprise Limited.
- 134.3 The ARFS would be submitted to the Office for Students by the December 2018 deadline.

Action: Chief Finance and Planning Officer

BG/6/18/7.3

BG/18/135

University Annual Quality Review and Action Plan: Assurance Statement

- 135.1 The Board received a report from a member of the Academic Assurance Committee (AAC) on behalf of the Chair of the Committee which summarised the work that had taken place on behalf of the Board by the AAC in its first year of operation (annex 1). The AAC had scrutinised the University's approach to the quality assurance and quality enhancement of its awards in 2017-18 and the action plan 2018-19 which set out the University's approach to the continuous improvement of the student academic experience.

- 135.2 The Board accepted the recommendation from the AAC that it is confident in recommending the Annual Quality Review and Action Plan 2018 as a basis for the Accountable Officer (Vice-Chancellor) to give the necessary assurances via Part 2 of the Annual Assurance return which would be submitted to the Office for Students by the December 2018 deadline.

Action: Vice-Chancellor and Clerk to the Board

- 135.3 **2019 OfSTED inspection of the University's Higher and Degree Apprenticeship (HDA) provision**

The Board received a progress report on the University's preparations for the Office for Standards in Education, Children's Services and Skills' (OfSTED) inspection of the

University's HDA provision. The approach to mitigating any risks to the provision was outlined. The inspection was anticipated to take place at short notice in early 2019 and the Board would receive a progress report at its meeting in January 2019.

Action: Vice-Chancellor

BG/6/18/7.4	BG/18/136	<p>Academic Governance Arrangements</p> <p>136.1 The Board <u>received</u> the report which, following a review of strategy management and governance arrangements, proposed a reconstituted Academic Board to address potential gaps in academic governance oversight and provide wider engagement in academic governance at the University.</p> <p>136.2 Staff governors expressed their support for an Academic Board within the system of University governance but had some reservations about the process to appoint staff members to it. Previously a proportion of members of the Academic Board were elected as representatives from faculty and University-wide constituencies and staff governors asked why a selection panel (paragraph 12) rather than elections would be used. It was reported that the purpose of using a selection panel was to enable a diversity of Academic Board membership.</p> <p>136.3 The Board <u>resolved to approve</u> the constitution of the Academic Board and that:</p> <ul style="list-style-type: none"> i) the word 'strategic' should be removed from its purpose, (page 91) so that it read '<i>The Academic Board is responsible for the oversight of the University's academic governance</i>'. ii) the appointment of eight members of staff from the faculties should be as the process in paragraph 12; iii) the process for the nomination of two course representatives (paragraph 13) would be taken forward with the President of the Students' Union. <p>Action: University Secretary</p>
BG/6/18/7.5 Confidential	BG/18/137	<p>Office for Students Annual Accountability Return 2018 Financial Commentary</p> <p>137.1 The Board <u>resolved to approve</u> the financial commentary which explained material changes between the audited financial statements (minute BG/18/134 refers) and the forecasts previously submitted (minute BG/18/85 refers) to the Office for Students (OfS). The commentary would be submitted to the OfS by the December 2018 deadline.</p> <p>Action: Chief Finance and Planning Officer</p>
BG/6/18/7.6	BG/18/138	<p>Prevent Duty: Annual Report 2017/18</p> <p>138.1 The Board <u>received</u> the report which evidenced the</p>

University's continuing active and effective implementation of the Prevent duty.

138.2 In response to questions the University Secretary would brief the Students' Union Officers on the University's Prevent risk assessment and discuss how the approach to student engagement might assist the University in discharging its Prevent duty.

Action: University Secretary

138.3 The Board resolved to approve the declarations (annex 3) to be submitted to the Office for Students by the December 2018 deadline.

Action: University Secretary

BG/6/18/7.7

BG/18/139

Annual Assurance Return 2018

139.1 The Board received the report. The Accountable Officer (Vice-Chancellor) as a governor would sign the annual assurance return 2018 prior to its submission to the Office for Students by the December 2018 deadline.

Action: Vice-Chancellor

BG/18/140

Report from Staff governors

140.1 The staff governors commented that they welcomed the standing item on the agenda. In response to a suggestion a governors' briefing on the Professional Services Operational Model which would continue to be implemented in 2019, would be arranged for all members of the Board. The Board received the report.

Action: Chief Operating Officer and Clerk to the Board

BG/6/18/8.2

BG/18/141

Vice-Chancellor's report

141.1 The Board received the Vice-Chancellor's report which gave a summary of University and higher education sector developments. The Vice-Chancellor highlighted the continued uncertainty regarding student funding as the sector awaited the outcomes of the Post-18 Education and Funding Review and prior to that the Office for National Statistics' review of student loan accounting. Following the meeting the Vice-Chancellor would brief governors on the two reviews, for discussion over dinner.

141.2 Governors commented on the Vice-Chancellor's national and local profile and thanked him for his engagement in sector level debate and his work in the Sheffield City Region.

BG/6/18/8.3
Confidential

BG/18/142

Estate Developments

- 142.1 The Board received the progress report which included a summary of estates major projects showing overall risk status (appendix 1) and the estate capital plan schedule (appendix 2). At its meeting on 13 November 2018 the Finance and Employment Committee had supported the revised approach to the governance of Campus Masterplan projects which was detailed in appendix 3.
- 142.2 The Director of Estates and Facilities:
- i) outlined how the disruption to the use of the inter-connected operational areas following closure of the City Campus atrium in Spring 2019 would be managed to allow a programme of work to replace the atrium roof;
 - ii) reported on the position with a proposed project for a Sheaf Tower on the site of the former Nelson Mandela building;
 - iii) reported that the at risk rating (appendix 1) for the National Centre for Excellence in Food Engineering project was as a result of the tight programme timescales.

BG/6/18/8.4
Confidential
Tabled

BG/18/143

Campus Masterplan Phase 1: Funding

- 143.1 The Board received the tabled paper which proposed the financing options for phase 1 of the Campus Masterplan recommended by the Board of Governors Task and Finish Group (BGT&FG) and the University Leadership Team following meetings in November 2018. It was reported that the financing options, which had been negotiated with the banks, provided flexibility and headroom to enable the delivery of the Masterplan in the context of the Transforming Lives Strategy.
- 143.2 **The Board resolved to authorise:**
- (i) the repayment of the variable element of the existing Barclays loan (£26m);
 - (ii) the restatement of the fixed element of the existing Barclays loan, in accordance with the Heads of Terms provided (appendix A) subject to
 - (iii) the securing of new borrowing facilities, consisting of a term loan (10 years) of £50m and a Revolving Credit Facility (RCF) of up to £20m, in accordance with the Heads of Terms provided (appendix B) by Santander plc; and
 - (iv) **The Board delegated authority to the BGT&FG to:**
 - (1) proceed with the negotiation of full contracts and the signature thereof, in accordance with the Heads of Terms provided;
 - (2) consider and approve (as necessary) the hedging of interest rates;
 - (3) authorise drawdowns of the new loan.
- 143.3 The University's level of borrowing would be kept under review in the context of its financial sustainability and delivery of phase 1 of the Campus Masterplan as part of the Transforming

Lives Strategy.

In addition, noting the proposed revised financial covenants, **the Board resolved to agree the BGT&FG's recommendation** that the University's Financial Regulations should be updated to include a maximum borrowing level of: Operational Leverage (the ratio of Net Borrowings to Adjusted Cashflow) of 2.4:1.

Action: Chief Finance and Planning Officer

BG/6/18/8.5

BG/18/144

Modern Slavery and Human Trafficking Statement

144.1

The Board resolved to approve the:
 i) draft statement for publication on the University's website in respect of activities undertaken during the University's financial year ended 31 July 2018;
 ii) reinstatement of previous years' modern slavery statements on the University's website.

Action: Head of Strategic Procurement

BG/18/145

Chairs' Reports

145.1

The Chair of the Finance and Employment Committee (FEC) reported that business from the FEC meeting on 13 November 2018 and the joint meeting with the Audit and Risk Committee (ARC) on that date had been covered on the Board's agenda.

145.2

The Chair of the ARC reported that the business from the ARC meeting and the joint meeting with the FEC on 13 November 2018 had been covered on the Board's agenda. One additional item of business was that the ARC had received an update in risk management including the privacy/General Data Protection Regulation (GDPR) internal audit report. The Board would receive an update on GDPR implementation at the University at its meeting in January 2019.

Action: University Secretary

BG/6/18/9.2

BG/18/146

Academic Assurance Committee: Annual review of effectiveness and annual report for 2017/18

146.1

The Board received the annual report of the Academic Assurance Committee.

BG/18/147

Nominations Committee - appointment of a member

147.1

The Board resolved to approve the appointment of the President of the Students' Union as a member of the Nominations Committee of the Board of Governors from 27 November 2018 to 30 June 2019.

BG/6/18/9.4i BG/6/18/9.4ii BG/6/18/9.4iii BG/6/18/9.4iv	BG/18/148 148.1	Minutes of the Committees of the Board of Governors The Board <u>received</u> the: i) confirmed minutes of the Finance and Employment Committee (FEC) meeting held on 19 September 2018; ii) unconfirmed minutes of the FEC meeting held on 13 November 2018 which were tabled; iii) unconfirmed minutes of the Audit and Risk Committee (ARC) meeting held on 13 November 2018 which were tabled; iv) unconfirmed minutes of the joint meeting of the FEC and ARC held on 13 November 2018.
BG/6/18/10.1	BG/18/149 149.1	The University's Subsidiary Company Reports and Financial Statements The Board <u>received</u> and <u>accepted</u> the reports from each company.
BG/6/18/10.2	BG/18/150 150.1	Students' Union Financial Statements for year ended 31 July 2018 The Board <u>received</u> and <u>accepted</u> the report.
BG/6/18/10.3	BG/18/151 151.1	Treasury Management Policy – Annual Report The Board <u>received</u> and <u>accepted</u> the report.
BG/6/18/11	BG/18/152 152.1	Schedule of Meetings and Outline Forward Planning Programme The Board <u>received</u> the forward planning programme and <u>noted</u> that the: i) next Board meeting would be held on Tuesday 29 January 2019; ii) meeting would be preceded by a strategy and development day at City Campus.
	BG/18/153 153.1	Appointments to the Board of Governors and its committees (paper BG/4/18/8.2 Confidential) Subsequent to the Board meeting and in connection with the preparations for the February 2019 meeting of the Nominations Committee the Clerk identified that the following was omitted from the July 2018 minutes (minute BG/18/93.4 refers): Audit and Risk Committee (ARC) The Board <u>resolved to approve</u> the re-appointment of John Warner as an external co-opted member of the ARC for a further two years from 1 August 2018 until to 31 July 2020.